



May 23, 2018

## **Comstock Holding Companies Announces Conversion of the Majority of Its Unsecured, Short-Term Debt Into Non-Convertible Preferred Equity**

WASHINGTON and RESTON, Va., May 23, 2018 (GLOBE NEWSWIRE) -- Comstock Holding Companies, Inc. (the "Company" or "CHCI") (NASDAQ:CHCI) announced today it has converted a majority of its unsecured short-term debt into the Company's existing Series C Non-Convertible Preferred Equity. Additionally, CHCI secured an extension of up to two years on \$5.0M of its remaining unsecured corporate debt. These related party transactions provide the Company with greater financial flexibility while enhancing the Company's working capital position as it executes against its recently announced strategic initiative to transition its business out of for-sale homebuilding and into commercial development, asset management and real estate services.

"This conversion of unsecured, short-term debt is the next step in positioning Comstock to achieve our primary objective of enhancing financial performance and shareholder value," said Christopher Clemente, Chairman and Chief Executive Officer. "By deleveraging our balance sheet, we will improve our working capital position and support the strategic initiatives that are at the core of our recently announced operating platform transformation. I am excited about the prospects for our Company and look forward to reporting our progress in the coming months."

For additional details on the above referenced transactions, refer to the disclosures within the Company's Form 8-K, filed with the Securities and Exchange Commission on May 23, 2018.

The Company's latest investor relations presentation describing the strategic vision of the Company can be found at [www.ComstockCompanies.com](http://www.ComstockCompanies.com).

### **About Comstock Holding Companies, Inc.**

CHCI is a multi-faceted real estate development, asset management and real estate related services company that, since 1985, has designed, developed, constructed and managed several thousand residential units and millions of square feet of residential and mixed-use projects throughout the Washington, DC metropolitan market and in other key markets in the southeastern United States. In early 2018, CHCI transitioned its operating platform from being primarily focused on developing on-balance sheet, for-sale, homebuilding projects to being focused on commercial real estate development, asset management and real estate related services. As a result, CHCI began operating through two real estate focused platforms, CDS Asset Management ("CAM") and Comstock Real Estate Services ("CRES"). CAM provides real estate development, asset management, and property management services, while CRES provides development supply chain services, including capital markets, real estate brokerage, environmental consulting and design services in the Washington, DC metropolitan area and in New Jersey and Pennsylvania. Anchoring the transition of CHCI is a long-term asset management agreement covering two of the largest transit-oriented, mixed-use developments in the Washington, DC area; Reston Station, a 3 million square foot transit-oriented, mixed-use development located in Reston, VA, and Loudoun Station, a 2.5 million square foot transit-oriented, mixed-use development in Ashburn, VA, as well as other additional development assets. Comstock's substantial experience in entitling, designing, developing, and managing a diverse range of properties including apartments, single-family homes, townhomes, mid-rise condominiums, high-rise condominiums and mixed-use (residential and commercial) properties, as well as large scale commercial parking garages and infrastructure projects, has positioned the Comstock organization as a premier developer and real estate related service provider in the mid-Atlantic Region. The Company is a publicly traded company, trading on NASDAQ under the symbol CHCI. For more information about CHCI or its businesses, please visit [www.ComstockCompanies.com](http://www.ComstockCompanies.com).

### **Cautionary Statement Regarding Forward-Looking Statements**

This release includes "forward-looking" statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by use of words such as "anticipate," "believe," "estimate," "may," "intend," "expect," "will," "should," "seeks" or other similar expressions. Forward-looking statements are based largely on our expectations and involve inherent risks and uncertainties, many of which are beyond our control. You should not place undue reliance on any forward-looking statement, which speaks only as of the date made. Some factors which may affect the accuracy of the forward-looking statements apply generally to the real estate industry, while other factors apply directly to us. Any number of important factors which could cause actual results to differ materially from those in the forward-looking statements include, without limitation: completion of Comstock's financial accounting and review procedures; general economic and market conditions, including interest rate levels; our ability to service our debt; inherent risks in investment in real estate; our ability to compete in the markets in which we operate; economic risks in the markets in which we operate, including actions related to government spending; delays in

governmental approvals and/or land development activity at our projects; regulatory actions; fluctuations in operating results; our anticipated growth strategies; shortages and increased costs of labor or building materials; the availability and cost of land in desirable areas; adverse weather conditions or natural disasters; our ability to raise debt and equity capital and grow our operations on a profitable basis; the reliance of substantially all of our revenues derived from our provision of management services to a limited number of companies; the Asset Management Agreement and other agreements with clients are subject to termination; and our continuing relationships with affiliates. Additional information concerning these and other important risk and uncertainties can be found under the heading "Risk Factors" in our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, for the fiscal year ended December 31, 2017. Our actual results could differ materially from these projected or suggested by the forward-looking statements. Comstock claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements contained herein. Comstock specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

**Company:**

Comstock Holding Companies, Inc.  
Christopher Conover, 703-230-1985  
Chief Financial Officer  
Source: Comstock Holding Companies, Inc.

 [Primary Logo](#)

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